

Old Patents Offer a New Way to Create Business

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By Bob Fernandez, The Philadelphia Inquirer

Nov. 27--Hey, entrepreneurs. Are you looking for new technologies to build a business?

Here are two. The transgenic process to spin silk out of a plant. Just plant a cabbage infused with spider genes and harvest the silk. Who needs those pesky mulberry leaf-chomping silkworms?

Or how about an alternative to the ozone-harming methyl bromide pesticide?

The patents for both technologies are available to entrepreneurs and companies through a new program run by a Delaware economic-development agency.

The state negotiated with DuPont Co. and Hercules Chemical Co. Inc. to donate 255 patents to the agency, which will make them available for licensing fees. The companies have surrendered all rights to the patents, the state says.

"We think this is a new wave of economic-development programs," said Kyle Buzzard, an agency official. He said Delaware wants to use the "legacy intellectual property" in its older corporations - - essentially sidelined patents buried in research departments -- to fuel economic growth. The agency's goal is to produce companies that would be based in Delaware.

The Center for Advanced Technology and Innovation, a Wisconsin nonprofit, launched a similar program in 2001. The program has produced licensing deals and spun out four companies, executive director Matt Wagner said.

One is Yokit Inc. with its instant-yogurt snack. S.C. Johnson & Son Inc., which sells Pledge furniture polish, Ziploc plastic bags, Scrubbing Bubbles cleanser, and dozens of other consumer products, developed the snack but didn't use it.

Gerald Carlson, senior technology adviser with the Wisconsin group, said patent programs are a variation of the concept of small-business incubators. Typically, the incubators provide office, research or factory space to local businesses. In this case, economic-development agencies supply the ideas and raw technology.

Delaware officials say 20 to 25 donated patents in an initial package of 105 could be

commercialized in two to three years. They say an additional 60 patents could be commercialized in three to five years. The silk patent falls into this category.

The remaining patents need more research or have a longer horizon to market, said Buzzard, a director in the Delaware Economic Development Office.

The patents fall into several industrial categories, such as electronics, chemical processing and biotechnology. Delaware contracted with the Wisconsin nonprofit to analyze the donated patents' potential.

Carlson said the most promising are a two-patent package from Hercules. They identify an alternative pesticide to methyl bromide, which harms the ozone, according to the U.S. Environmental Protection Agency. "There are still regulatory issues and application issues. You can't go out and turn a key tomorrow... But it has potential," Carlson said of the Hercules patents.

Hercules donated five patents. DuPont has donated 100 patents and will donate an additional 150 by mid-2010.

DuPont, one of the nation's largest chemical and farm-seed companies, spends more than \$1 billion a year on research. The company owns 5,700 U.S. patents and has 4,000 patent filings pending with the U.S. government, said Mike Walker, DuPont's chief intellectual-property counsel. The donated patents were "no longer a strategic fit for us," he said.

Among other requirements, people seeking to license a donated patent are screened by state officials and must submit business plans and the resumes of managers. The process could take two to nine months, Buzzard said.

Licensing revenue from the donated patents will be used to finance the Intellectual Property Creation Program, Buzzard said. The agency is looking for more companies to contribute patents, he said.

View the patents available for licensure at <http://go.philly.com/patents>

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